

BB

*Twenty-seventh Annual Report*  
*of*

**COMBINED METAL MINES  
LIMITED**



*For the Year Ended March 31st, 1966*

# COMBINED METAL MINES LIMITED

---

<b>AUTHORIZED CAPITALIZATION</b>	3,500,000 shares without nominal or par value
<b>DIRECTORS</b>	M. J. BOYLEN, D.C.L., D.Sc. - - - - - Toronto 18, Ontario PHILIP E. BOYLEN - - - - - Toronto 18, Ontario DAVID W. GORDON, F.C.I.S. - - - - - Toronto, Ontario WILLIAM C. DURHAM - - - - - Toronto, Ontario GORDON L. MOORE - - - - - Islington, Ontario
<b>OFFICERS</b>	M. J. BOYLEN, D.C.L., D.Sc. - - - - - President PHILIP E. BOYLEN - - - - - Vice-President GORDON L. MOORE - - - - - Secretary-Treasurer CHARLES B. BRANNIGAN - - - - - Assistant Secretary
<b>HEAD OFFICE</b>	330 BAY STREET - - - - - Toronto, Ontario
<b>AUDITORS</b>	COSSAR, HECTOR, PAYNE & CO., Chartered Accountants, Toronto, Ontario.

**ANNUAL REPORT FOR THE YEAR ENDED MARCH 31st, 1966**

# COMBINED METAL MINES LIMITED

---

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS:

Your Directors present for your consideration the Twenty-Seventh Annual Report of the Company, including a copy of its Balance Sheet and related financial statements for the fiscal year ended March 31st, 1966, and the Report of the auditors.

The financing of the Company, resulting from the offering of rights to its Shareholders under date of March 5th, 1965, is reflected in the balance sheet in comparison with that of the previous year. Current Assets are increased by \$55,976.92 and Current Liabilities are decreased by \$10,675.18. A total of \$40,141.18 was expended for mine development and administrative expenses during the financial year, and a total of \$5,527.25 was spent for the option on the Cape Breton, Nova Scotia mining claims, acquisition by staking of 25 claims in the Portage River area of New Brunswick, and the purchase, under an offering of rights, of 833 additional shares of The Coniagas Mines, Limited. During the year \$2,320.33 was received from rents and interest earned.

### EXPLORATION AND DEVELOPMENT: PROVINCE OF NEW BRUNSWICK —

The Company's mining property held under a Mining Licence in Gloucester County, New Brunswick, comprises an area of 1,250 acres and is located adjacent to the Number 6 property of Brunswick Mining and Smelting Corporation Limited. The Number 6 ore body occurs about one mile west of the Combined Metal — Brunswick boundary. Detailed geological and magnetic surveys were carried out during 1965 on a new grid established on the property covering an area near the Brunswick boundary, and eight diamond drill holes, totalling 5,168 feet, were drilled designed to test a proposed synclinal fold similar to that which is suggested as the main ore control at the Brunswick Number 6 deposit. The conclusions and recommendations of the Company's Geologist are that a geological environment favourable to the occurrence of base metals mineralization occurs on the western portion of the Combined Metal property, and a systematic programme of diamond drilling is the only known effective method of evaluation of this area. Accordingly it is proposed that the drilling programme be extended to test the strikes of the mineralized zones both north and south of the recently drilled sections.

The Mining Licence held by the Company covering this area is maintained in good standing.

### PORTAGE RIVER AREA, NEW BRUNSWICK:

A large area along the eastern flank of the Bathurst, New Brunswick, orebearing structure was surveyed during the latter part of 1965 by airborne electromagnetic and magnetic equipment by associated companies in conjunction with Combined Metal Mines Limited, and as a result, your Company acquired by staking, for staking costs of \$1,652.50, a group of 25 mining claims in this area to cover a combined magnetic-electromagnetic anomaly. Additional investigation by ground crews is planned for the summer of 1966 which will probably include geological work, ground geophysics and geochemical work, and diamond drilling if warranted.

## PROVINCE OF NOVA SCOTIA:

Your Company held under option in 1963-1964 a group of 21 mining claims located in Cape Breton County, Cape Breton Island, in the Province of Nova Scotia. A programme of diamond drilling was carried out on the property at that time, but in view of the inconclusive results obtained the option was cancelled and terminated.

The Company's Geologist, during the early part of 1965, received additional information in connection with the area in which the mining claims previously held under option are located and, a new option agreement was entered into between the Company and the holder of the said claims. A further examination of the area was undertaken consisting of line-cutting, geological and geochemical surveys. Results of this work, however, were also inconclusive and the option was cancelled and terminated.

## PROVINCE OF ONTARIO:

The sixteen patented gold mining claims held by the Company in the Township of McGarry in the Province of Ontario, are maintained in good standing.

## INVESTMENTS:

The substantial equity represented by the shareholdings of your Company in Atlantic Coast Copper Corporation Limited is shown on the balance sheet herewith submitted. The following excerpt is quoted from the 1965 Annual Report of Atlantic Coast Copper Corporation Limited:

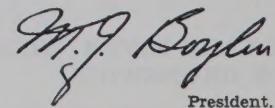
"The year's mining operations resulted in one of the best performances since the start of operations. Although the tonnage treated — 800 tons per day — was lower than in previous years, ore grade was higher at 1.101 percent copper. This, coupled with improved metal recovery and the higher price for copper, resulted in an operating profit of \$750,445."

During the first six months of 1966 Atlantic Coast Copper reports an operating profit (before write-offs, interest and taxes) of \$809,675. with copper priced at 44.5¢ per lb. None of Atlantic's production for the year 1966 has reached the stage of final settlement by the smelter, therefore copper calculated at projected price of 52.7¢, the operating profit for the first six months is increased by \$433,525. to a total of \$1,153,200.

Your Company during November, 1965, exercised its right under an offering of rights granted to the Shareholders of The Coniagas Mines, Limited and purchased an additional 833 shares of that Company for the sum of \$624.75; and, subsequent to the fiscal year end also exercised its right under an offering of rights granted to the Shareholders of Northern Canada Mines Limited and purchased an additional 600 shares Northern Canada Mines Limited at \$1.50 per share.

Respectfully submitted,

On behalf of the Board of Directors,



M.J. Boyle

President.

DATED at Toronto, Ontario,  
on this 7th day of July, 1966.

# Cossar, Hector, Payne & Co.

CHARTERED ACCOUNTANTS

443 UNIVERSITY AVENUE

Toronto 2

A. J. COSSAR, C.A.  
R. H. B. HECTOR, C.A.  
A. C. PAYNE, C.A.  
A. D. COSSAR, C.A.  
J. D. JACKSON, C.A.

TELEPHONE 364-5285

NEWMARKET OFFICE  
197 MAIN STREET  
TW. 5-6601

May 31, 1966

To the Shareholders of  
Combined Metal Mines Limited.

We have examined the balance sheet of Combined Metal Mines Limited as at 31 March, 1966 and the statement of deferred mine development and administrative expenses for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of deferred mine development and administrative expenses present fairly the financial position of the company as at 31 March, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COSSAR, HECTOR, PAYNE & CO.,

Chartered Accountants.

# COMBINED METAL

## BALANCE SHEET AS

### ASSETS

#### CURRENT ASSETS

Bank .....	\$ 6,065.18
Term deposits .....	50,000.00
Accounts receivable .....	135.34
	<hr/>
	\$ 56,200.52

#### MARKETABLE SECURITIES — at cost — Note 1

(Quoted market value \$810,647.38) .....	356,332.38
--	------------

OTHER INVESTMENTS — at cost .....	3.00
-----------------------------------	------

#### MINING PROPERTIES — at cost

Land held under mining license No. 850A in the Parish of Bathurst, County of Gloucester, Province of New Brunswick comprising 1,250 acres .....	118,227.30
16 claims under Mining Land Patent and for mining license of occupancy in the Township of McGarry, Province of Ontario ..	99,962.63
25 claims under Prospecting license No. 5157 Located in Bathurst Parish, County of Gloucester, Province of New Brunswick .....	1,652.50
	<hr/>
DEFERRED OPERATING EXPENSES — per attached .....	219,842.43
	<hr/>
	251,268.54

\$883,646.87

#### NOTE 1

Marketable securities include 500,000 shares of Atlantic Coast Copper Corporation Limited with a book value of \$328,714.63 and a market value of \$800,000.00.

# MINES LIMITED

AT 31 MARCH, 1966

## LIABILITIES

### CURRENT LIABILITIES

Accounts payable .....	\$ 1,530.47
------------------------	-------------

## CAPITAL

### SHARE CAPITAL

#### AUTHORIZED:

3,500,000 shares of no par value

#### ISSUED AND FULLY PAID:

2,200,004 shares 1 April, 1965 .....	\$ 1,502,367.50
550,667 shares issued for cash .....	110,300.20
<u>2,750,671</u> shares 31 March, 1966 .....	<u>1,612,667.70</u>

### DEFICIT ACCOUNT

Balance 1 April, 1965 .....	\$709,823.57
-----------------------------	--------------

Add: Write-off re claims of the  
Marsh Property:

Option Payments .....	\$ 3,250.00
Deferred mine devel- opment costs .....	14,969.73
	<u>18,219.73</u>

Add: Write-off of other  
investments .....

2,508.00
<u>20,727.73</u>

Balance 31 March, 1966 .....	730,551.30
------------------------------	------------

882,116.40

\$883,646.87

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

# COMBINED METAL MINES LIMITED

## STATEMENT OF DEFERRED MINE DEVELOPMENT AND ADMINISTRATIVE EXPENSES

	Total to 31 March, 1965	Year Ended 31 March, 1966	Total to 31 March, 1966
<b>DEFERRED MINE DEVELOPMENT</b>			
Diamond drilling .....	\$118,265.31	\$ 19,789.69	\$138,055.00
Surface explorations .....	67,124.34	8,304.48	75,428.82
Assaying .....	3,307.05	—	3,307.05
Maps and blueprints .....	269.53	—	269.53
Mining licences and renewals .....	16,757.21	156.86	16,914.07
Taxes, fees, etc. .....	8,889.38	348.97	9,238.35
General expenses .....	786.94	—	786.94
Surveys .....	20,629.47	94.50	20,723.97
Engineering and automotive equipment .....	2,911.25	—	2,911.25
	<hr/> 238,940.48	<hr/> 28,694.50	<hr/> 267,634.98
Less: Development expenses of abandoned claims .....	108,046.65	14,969.73	123,016.38
	<hr/> 130,893.83	<hr/> 13,724.77	<hr/> 144,618.60
 <b>ADMINISTRATIVE EXPENSES</b>			
Advertising .....	2,732.00	—	2,732.00
Legal and audit fees .....	9,351.56	1,750.00	11,101.56
Interest and bank charges .....	8,379.89	31.34	8,411.23
Head office expenses .....	42,482.63	3,813.04	46,295.67
Office supplies .....	6,916.23	726.07	7,642.30
Postage .....	3,451.06	723.43	4,174.49
Security, registration fees .....	4,032.34	335.00	4,367.34
Telephone and telegraph .....	673.71	158.82	832.53
Transfer agent and registration fees .....	20,179.61	3,439.57	23,619.18
Travel expense .....	3,714.54	43.16	3,757.70
Capital and place of business tax .....	430.00	176.25	606.25
Bad debt expense .....	788.44	—	788.44
Directors' fees .....	200.00	250.00	450.00
	<hr/> 103,332.01	<hr/> 11,446.68	<hr/> 114,778.69
Less: Rents and sundry .....	234,225.84	25,171.45	259,397.29
	<hr/> 5,808.42	<hr/> 2,320.33	<hr/> 8,128.75
<b>TOTAL DEFERRED EXPENSE</b> .....	<b>\$228,417.42</b>	<b>\$ 22,851.12</b>	<b>\$251,268.54</b>